

DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

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FILE: B-214379

DATE: March 14, 1984

MATTER OF: Halifax Engineering, Inc.

DIGEST:

GAO will not consider a protest of the cost comparison calculation made by an agency to determine, in accord with Office of Management and Budget Circular No. A-76, whether to perform services in-house or to contract them out until protester has exhausted the contracting agency's administrative review procedures.

Halifax Engineering, Inc. (Halifax), protests the decision of the Naval Supply Systems Command, Norfolk, Virginia (Navy), to perform certain operations in-house rather than contract them out in connection with request for proposals No. N00189-83-R-0089. The determination was based on a cost comparison conducted under the rules set forth in Office of Management and Budget Circular No. A-76. Halifax alleges that the Navy failed to adhere to certain requirements set forth in the solicitation concerning in-house price estimates.

We dismiss the protest.

Halifax appealed to the Navy to review this cost comparison and filed this protest with our Office. The appeal to the procuring agency has yet to be decided.

Although we will review A-76 cost evaluations to assure that offerors are not induced to prepare and submit proposals which are later arbitrarily rejected due to an erroneous cost comparison, we will not consider protests involving such comparisons until the contracting agency's administrative procedures for reviewing the cost comparison have been exhausted. Space Age Engineering, Inc., B-212248, July 21, 1983, 83-2 CPD 112. Therefore, this protest, which was filed prior to a decision on the appeal to the Navy, is premature. Space Age Engineering, Inc., supra.

Harry R. Van Cleve
Harry R. Van Cleve
Acting General Counsel

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